

SENATE BILL 458

By Rochelle

AN ACT to amend Tennessee Code Annotated, Section 7-86-105 and Section 7-86-304, relative to emergency communications districts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-86-105(c), is amended by adding the following language at the end of the section:

Members shall serve until a successor is duly appointed and, if required by this section or any other provision of law, confirmed.

SECTION 2. Tennessee Code Annotated, Section 7-86-304, is amended by deleting subsection (d) in its entirety and by substituting instead the following:

(d)(1) Any emergency communications district that is a financially distressed emergency communications district shall be subject to the supervision and evaluation of the board. For the purposes of this chapter, a "financially distressed emergency communications district" is a district, which, as shown by the annual audits:

(A) Fails to produce revenues sufficient to provide for all expenses and maintenance of the district, including reserves thereof, for a period of three (3) consecutive years;

(B) Has a deficit retained earnings balance; or

(C) Is in default on any indebtedness.

(2) After reviewing the financial statements and operations of any financially distressed emergency communications district, and after holding a public hearing within such district's service area, the board may prescribe a rate structure, up to the maximum established pursuant to §7-86-108(a)(2)(A), to be adopted by the district, as may be necessary to cause the district to liquidate in an orderly fashion any retained earnings deficits, to cure a default on any indebtedness of the district, and/or to remedy the failure of the district to produce revenues sufficient to provide for all expenses and maintenance of the district, including reserves.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.